

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6358

BILL NUMBER: HB 1333

NOTE PREPARED: Feb 11, 2011

BILL AMENDED: Feb 10, 2011

SUBJECT: Operating Referenda for Libraries.

FIRST AUTHOR: Rep. Day

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) This bill provides that a public library may hold a referendum to increase its property tax levy if the board of the public library determines that: (1) the public library will be unable to carry out its duties under the law unless the public library imposes a referendum property tax levy; or (2) the public library should impose a referendum property tax levy to replace property tax revenues lost by operation of the circuit breaker tax credit. It provides that the additional rate of the referendum tax levy and the number of calendar years for which the referendum tax levy will be imposed must be specified in the public question put to the voters.

Effective Date: Upon passage; July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) This bill would permit any library in the state to seek a property tax increase through the referendum process. The number of years for which the levy may be approved cannot exceed seven years, although the levy may be reimposed or extended through the referendum process.

A referendum under this bill would be held in the next primary, general, or municipal election held after the referendum question is certified. However, if the next election is more than one year away, the library may request a special election. The library would pay all costs of holding a special election.

Under current law any levy that is imposed as a result of a successful referendum is exempt from the circuit breaker caps. If an additional levy is authorized, property tax bills for all taxpayers in the library district would increase. The fiscal impact would depend on local action.

Additional information: The CY 2011 losses due to the circuit breaker caps are projected to be about \$24.9 M for the libraries, statewide.

State Agencies Affected:

Local Agencies Affected: Libraries; County election officials.

Information Sources:

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